(a) whether there is any proposal from the Chinese Government for opening of an direct air link to Calcutta and Mumbai as sister cities;

(b) if so, the steps taken up in this regard; and

(c) the reasons for signing the Memorandum of Understanding between India and China for air link in 1997 as pending?

THE MINISTER OF CIVIL AVIATION (SHRI SHARAD YADAV): (a) No, Sir. There is no proposal from the Peoples Republic of China.

(b) Does not arise.

(c) The Memorandum of Understanding of 1997 provides for the capacity and frequency entitlement for the designated airlines of India and China to operate to each other's territory. However actual operation of flights is left to the commercial judgement of airlines.

Improvement of Runways

1735. SHRI SANTOSH BAGRODIA: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether Airports Authority of India (AAI) is not devoting attention to task of improving the runways at the airports;

(b) if so. whether it is a fact that its haphazard planning has even led to a deterioration in the standard of the runway at Mumbai and Delhi; and

(c) if so, the details thereof?

THE MINISTER OF CIVIL AVIATION (SHRI SHARAD YADAV): (a) No, Sir.

(b) and (c) Do not arise.

Improvement of IA's Revenue Management

1736. SHRI RAMDAS AGARWAL: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether the new C.M.D. of IA has promised to look in depth cost benefit analysis of various promotional packages to consumers and also to improve Airlines on time performance which has lately dipped to 60 per cent from 80 per cent in the recent past; and

(b) if so, what steps the IA has taken so far to check wasteful expenditure and to improve revenue management during the current fiscal year?

THE MINISTER OF CIVIL AVIATION (SHRI SHARAD YADAV): (a) The promotional packages introduced by Indian Airlines from time to time are worked out taking into consideration the market realities and levels of competition and the benefits likely to be derived therefrom.

Indian Airlines is taking initiatives to bring about qualitative and quantitative improvement in the service rendered to the passengers both on ground and in the air through:—

(i) Reliability of service (ii) Product upgrade (iii) Improvement in passenger amenities.

(b) Indian Airlines has taken the following steps to cut down costs and improve its financial performance:—

(A) Cost Control Measures:

* Control of overtime, Casual labour, hotel/travel expenditure

* Freeze on recruitment unless absolutely necessary for operational reasons

* Roll back of retirement age

* Fuel Monitoring and tankering

* Control on material consumption

* Reduction in publicity and sales promotional expenditure

* Review of uneconomic flights

* Inventory management

* Strict control over crew lay over expenditure

* Outsourcing of services to the extent feasible

(B) Marketing initiatives:

* Code sharing with the foreign airlines

* Frequent Flier Programme

* High level of participation in Computerised Reservation System

* Various promotional schemes including corporate incentives, package tours etc.